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TRADE AND DEVELOPMENT BOARD
Ad Hoc Working Group on Trade Efficiency
First session
Geneva, 16 November 1992
Item 2 of the provisional agenda

PROVISIONAL AGENDA AND ANNOTATIONS TO THE PROVISIONAL AGENDA

Note by the UNCTAD secretariat

I - PROVISIONAL AGENDA

1. Election of officers
2. Adoption of the agenda and organization of work
3. Establishment of the work programme of the Working Group
4. Provisional agenda for the second session of the Working Group
5. Other business
6. Adoption of the report of the Working Group to the Board.

GE.92-52687

II - ANNOTATIONS TO THE PROVISIONAL AGENDA

Item 1: Election of officers

In accordance with past practice in UNCTAD, it is proposed that the Bureau of the Ad Hoc Working Group consist of 7 members (a Chairman, 5 Vice-chairmen and a Rapporteur), to be elected among the core membership[1] in accordance with the following geographical distribution: 4 from lists A and C combined, 2 from list B and 1 from list D.

Item 2: Adoption of the agenda and organization of work

The provisional agenda in section I follows the format agreed upon at the consultations of the Secretary-General of UNCTAD on 17 July 1992.

The technical nature of the work expected from the Working Group, as well as the short time available to prepare for the 1994 Symposium on Trade Efficiency, point to the following needs: (1) the Group should start its actual work as early as possible; (2) before deciding on the organization of its future work, the Group should receive as much information as possible on the issues to be addressed, and participants should be given the possibility to exchange as much as possible of the experience they have already had in areas related to trade efficiency; and (3) experts should provide additional inputs on the various aspects of the Group's terms of reference before it holds its second session. It is with these elements in mind that the above provisional agenda is proposed. A more detailed description of the topics to be covered by the Group is given in the secretariat note submitted under item 3 (TD/B/WG.2/2).

Item 3: Establishment of the work programme of the Working Group

With a view to assisting the Working Group in establishing its work programme, the secretariat has prepared a note entitled "Establishment of the work programme of the Working Group: issues and timetable" (TD/B/WG.2/2).

Considering the specificities of the Ad Hoc Working group on Trade Efficiency (see above), the Group may find it useful to receive basic information about the 'state of play' in the different areas of its competence. Six areas have been earmarked for an initial exchange of information and experience, namely:

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[1] In paragraph 77 of the Cartagena Commitment, the Conference specified that *"... the core membership of these working groups will comprise all interested countries, which will nominate the relevant national experts. Other countries may participate in an observer capacity."*

(a) Information and trade: Attention is drawn to paragraph 5 of the Group's terms of reference (TD/B(XXXVIII/Misc.5), which states that (the Group) "should provide a forum for the exchange of experiences among member States so as to enable them to draw appropriate lessons for the formulation and implementation of policies at the national and international levels and for international economic cooperation". Paragraphs 1 and 2 of the same terms of reference refer to the Working Group's responsibility in examining "how modern organization and technology can be used to foster greater participation in international trade, in particular by small and medium-sized enterprises", and in contributing "to the utilization of market opportunities by fostering transparency in trade-related information flows, including by increasing international awareness of opportunities to access publicly available market information". Attention is also drawn to paragraph 9 of the terms of reference ("The work of the Working Group should complement that of other international bodies while seeking to ensure that no duplication occurs, notably regarding the work of the International Trade Centre UNCTAD/GATT").

(b) EDI and trade efficiency: As mentioned in paragraph 5 of the terms of reference (see above), the Group should stimulate "exchange of experiences among member States". Paragraphs 1 (c) and 1 (d) of the terms of reference request the Group to "promote greater understanding and use of Electronic Data Interchange (EDI), including the standards established through UNECE WP4" and to "evaluate the impact of EDI-related developments and relevant technical and technological innovations on the trade efficiency of firms, and the potential participation of new players in the international trade". Attention is again drawn to paragraph 9 of the terms of reference regarding complementarity between the work of the Group and that of UNECE WP4.

(c) Solutions for efficient trade: Keeping in mind paragraph 5 of the terms of reference (the Group should stimulate "exchange of experiences among member States"), attention is drawn to paragraph 1(a) of the same text (the Group should "identify possibilities to reduce transactional costs in international trade, particularly through trade facilitation and the simplification of trade procedures").

(d) Trade Points: Paragraphs 1(b) and 3 of the Group's terms of reference request it to promote, as appropriate, the development and establishment of Trade Points, and to "identify areas in which technical cooperation could be necessary in trade efficiency-related areas, with special regard to trade facilitation activities and the establishment of Trade Points, and possibilities to create new trade links thereby".

(e) 1994 Symposium: Paragraph 4 of the Group's terms of reference states that "the Working Group shall prepare the 1994 international symposium on trade efficiency, as called for in paragraphs 157 and 158 of the Cartagena Commitment".

(f) Establishment of the work programme for future sessions of the Group: As mentioned above, the nature and specific responsibilities of this Working Group suggest that the Group should adopt original methods of work and innovative approaches. Attention is drawn to paragraph 10 of the terms of reference of the Working Group, which states that "the Working Group may recommend for the consideration of the Board the establishment of expert groups".

Item 4: Provisional agenda for the second session of the Working Group

A draft provisional agenda for the second session of the Working Group will be submitted for consideration in the light of the decisions of the Working Group.

Item 5: Other business

Item 6: Adoption of the report of the Working Group to the Board

Paragraph 11 of the Group's terms of reference states that the Working Group "may submit interim reports and shall submit a final report on the results of its work to the Trade and Development Board".

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Ad Hoc Working Group on Trade Efficiency
First Session
Geneva, 16 November 1992
Item 3 of the provisional agenda

ESTABLISHMENT OF THE WORK PROGRAMME OF THE WORKING GROUP

Issues and timetable

Note by the UNCTAD secretariat

GE.92-52707

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I - BACKGROUND AND PURPOSE

1. At its eighth session, in February 1992, the United Nations Conference on Trade and Development provided for the creation of an *Ad Hoc* Working Group on Trade Efficiency (cf. Cartagena Commitment, para. 79). Pursuant to this agreement, the Trade and Development Board, through its decision 398 (XXXVIII) of 7 May 1992, established the terms of reference of the *Ad Hoc* Working Group.

2. The first session of the Working Group will address the concept of trade efficiency from the broad viewpoint of **universality** of trade-related information and technologies.

3. Technological change, particularly in information technology, has been instrumental in accelerating the process of internationalization of a number of markets and the globalization of business and financial flows. This has led to the emergence of strategic alliances between corporations and an increasing reliance on worldwide information networks. Thus, as far as trade is concerned, the availability and proper use of strategic business and trade information is more and more a key to competitiveness. Faced with such a trend, many potential participants in international trade run the risk of exclusion: this is the position in which many developing countries and economies in transition, certain 'traditional' economic sectors, as well as - in all countries - a large proportion of small- and medium-sized enterprises find themselves.

4. The international community is thus confronted with a major challenge. Likewise it is also provided with a valuable opportunity to reap the benefits arising from spectacular advances in information technologies if it succeeds in harnessing them to revitalize international trade. The Group will be expected to make proposals and break new ground in addressing the issue of universality in trade efficiency. It will be called on to explore various questions such as: How can the experience of the more advanced players contribute to allow others to use the more productive information, techniques and organizations? How will this stimulate increased participation and dynamism in international trade? etc.

5. By inviting individuals and organizations to exchange their practical experience, the Working Group will be in a position to define the challenges and opportunities. The issues and tentative timetable have been set out to make the most profitable use of the time available during the session. **Meetings will start at the precise time announced. The length of presentations will be strictly limited to allow in-depth discussions of the issues. Each meeting is expected to lead to practical recommendations for the future activities of the *Ad Hoc* Working Group.**

II - ISSUES AND TENTATIVE TIMETABLE[1]

Monday, 16 November 1992

9.00 a.m.: Informal meetings

Opening meeting

10.00 a.m. Election of officers and other business
10.30 a.m. Presentation of Trade Efficiency (secretariat)
11.30 a.m. Adoption of the session's timetable and organization of work
1.00 p.m. Adjournment

Afternoon meeting
Information and Trade (1)
Information systems

3.00 p.m. Presentation Chambernet (SITPRO, United Kingdom)
3.30 p.m. Presentation Kompass (Kompass, Switzerland)
4.00 p.m. Information systems for efficient trade (universality of coverage and convergence of norms, access): debate and conclusions
6.00 p.m. Adjournment

A - Opening meeting and general introduction

6. The brief introduction by the UNCTAD secretariat will attempt to:

(a) recall the main historical and institutional background to the creation of the *Ad Hoc* Working Group;
(b) outline its expected output;
(c) describe the interrelationship between the Working Group, the Trade Points and the 1994 Symposium;
(d) explain the rationale of the proposed timetable and organization of work.

B - Information and trade

7. Relevant information is a key to trade competitiveness. The ability to access and use appropriate information raises three main sets of issues related to (a) information systems, (b) information infrastructure and (c) the data itself. Depending on each of these three points of view, the concept of **universality** takes a different meaning and has different relevance for traders. In all three cases, however, key issues include cost and coverage or spread of the information. This point is divided into three sections devoted to information systems, infrastructure and data, respectively.

8. ***Information systems*** will be considered through practical examples. Selected presentations will guide the Group in addressing such issues as:

(a) Coverage of existing systems (geographical regions, sectors of activity, types and sizes of enterprises); defining the 'shadow areas' and how exclusion can be prevented.
(b) Access to existing systems (procedures, norms, protocols which are not always easy to master nor absolutely transparent); determining how technical and economic conditions could be improved to make access more universal. Is there a price threshold which would match the interest of both data providers and data users?

[1] All announcements are subject to confirmation.

Tuesday, 17 November 1992

Morning meeting
Information and Trade (2)
Which global infrastructures?

10.00 a.m.	Presentation Iridium (USA)
11.20 a.m.	Presentation SITA
11.40 a.m.	Infrastructural aspects of trade efficiency: price thresholds and impact on competitiveness, debate and conclusions
1.00 p.m.	Adjournment

9. For many regions of the world, access to information is strictly limited by the lack or insufficiency of local **information infrastructure**. Considering the dramatic decrease in the price/performance ratio of telecommunications and information technologies, new solutions should become available to provide such infrastructure on a truly global basis. A selection of such solutions will be presented to participants. Each solution has different characteristics depending on technological, economic and institutional aspects. These presentations are expected to give participants additional information, and to help them in identifying possible practical effects of building up global infrastructure for trade efficiency. Differences in transmission prices will be considered, as well as their impact on competitiveness. In the same context, preconditions for trade efficiency (including legal and institutional aspects) could be discussed by the Group.

Afternoon meeting
Information and Trade (3)
Joint meeting with ITC: Customs data for trade promotion and transparency

3.00 p.m.	Presentation on experiences in transparency on the basis of Customs data (ITC)
3.45 p.m.	Public data bases (national presentation or OAS)
4.15 p.m.	Data bases of a national trade promotion organization (Tunisia)
4.30 p.m.	Encouraging transparency in trade data: debate and conclusions
6.00 p.m.	Adjournment

10. ***Issues related to data*** will be addressed on the basis of Customs data in a meeting organized jointly with the International Trade Centre (ITC). On the basis of state-of-the-art knowledge and experience with using Customs-based information, participants will have the opportunity to describe national experiences in similar domains, and to discuss their results and limitations. This approach should enable the Group to explore further the issues raised in the previous meeting regarding coverage, access and confidentiality, thus suggesting possibilities for specialized work by experts on ways and means whereby transparency could be encouraged.

Wednesday, 18 November 1992

Morning meeting
ECE/WP4 - EDI (1)

10.00 a.m.	Presentation by ECE/WP4; avenues for cooperation
10.40 a.m.	EDI and international law (UNCITRAL); business perspective (International Chamber of Commerce)
11.20 a.m.	EDI and enterprises: applications from Philips (Netherlands) and Benetton (Italy)
12.00 noon	Is EDI for everybody? Debate and conclusions
1.00 p.m.	Adjournment

Afternoon meeting
EDI (2)

3.00 p.m.	EDI and Customs: presentation/ Norway's EDIFACT experience
3.20 p.m.	EDI banking. Presentations SWIFT and Société Générale (France)
3.50 p.m.	EDI and transport. Presentation by General Electric Information Services (GEISCO, Germany)
4.10 p.m.	Identification of available solutions, transferability of experiences: debate and conclusions
6.00 p.m.	Adjournment

C - EDI and trade efficiency

11. Working Party 4 of the United Nations Economic Commission for Europe (ECE/WP4) is a prominent body in the area of trade facilitation. It plays a central role in the formulation of norms for Electronic Data Interchange (EDI), in particular through its EDIFACT rapporteurs. At its thirty-sixth session in September 1992, WP4 has accepted the principle of a joint UNCTAD/WP4 work programme on trade efficiency. In view of the significant input from WP4 to the activities of the Working Group on Trade Efficiency and to the 1994 Symposium on Trade Efficiency, the presentation by a delegation from WP4 should be of great interest. The United Nations Commission on International Trade Law (UNCITRAL) will address the issue of EDI and international trade law. A business perspective dealing with the same issue will be offered by the International Chamber of Commerce.

12. Following the presentations of practical EDI applications to enterprises, the Group may wish to discuss the question: "Is EDI for everybody?" What are the benefits, costs, difficulties, and options? The issues identified in this debate should provide some guidance for the work of experts, as well as for the activities at Trade Points.

13. Additional information will be brought to the attention of the Group through presentations of EDI applications in trade-related sectors such as Customs, banking and transport. Particular emphasis will be placed on practical problems facing traders - such as handling of Customs manifest/declarations, documentary credit, portuary procedures or inventory/invoice management, with a view to identifying available solutions. The Group will then be in a position to ascertain the extent to which such experiences have application in other national contexts, and under which conditions. Further indications for work by experts are expected to result from this debate.

Thursday, 19 November 1992

Morning meeting
Solutions for efficient trade

10.00 a.m. Presentation on the use of bar codes (EAN)
10.15 a.m. Presentation on line release system (US Customs)
10.35 a.m. Technology for trade: presentation by Tradenet (Singapore)
10.55 a.m. ASYCUDA: lessons from ten years of experience, and future prospects (UNCTAD secretariat)
11.10 a.m. Solutions for trade efficiency and their potential for universality: debate and conclusions
1.00 p.m. Adjournment

D - Solutions for efficient trade

14. Participants will have the opportunity to meet and discuss on some of the most recent systems applied to efficient trading practices. Community systems such as Singapore's Tradenet are often used as a reference. The use of bar codes and line release has been speeding up the transit of goods across borders. Similarly, ten years of experience with ASYCUDA (Automated SYstem for CUstoms DAta) has allowed UNCTAD to learn some lessons and offer advanced features in the most recent release of its Customs automation and reform programme. Such techniques have been used for a wide range of different applications. The debate following these presentations is expected to cover the conditions for applicability and success of such systems and their potential for universality.

3.00 p.m. Informal meetings

Resumed afternoon meeting
Trade Points (1)
Special events

17.00 Multi-point video conference International Conference Center

19.00 Adjournment

E - Trade Points

15. The Working Group will incorporate into this session participation by those not able to come in person to Geneva through the use of an advanced technology: video-conferencing. During the video-conference participants will:

(a) exchange views with decision-makers with first-hand experience in dealing with trade efficiency and,
(b) have a "hands on experience" with one of the technologies which could be put at the service of trade efficiency, in particular in the context of special events to be organized with Trade Points.

Friday, 20 November 1992

Morning meeting
Trade Points (2)
and 1994 Symposium

10.00 a.m. Trade Points: action plan and work programme (secretariat)
11.00 a.m. The 1994 Symposium
11.30 a.m. General debate and conclusions
1.00 p.m. Adjournment

16. The secretariat will make a brief presentation of the lessons derived from the Trade Point experience so far, and outline an action plan and work programme in this area for the period up to the 1994 Symposium. A discussion will follow aimed at offering guidance regarding work at the Trade Points and related work by experts.

F - 1994 Symposium

17. The state of preparations for the 1994 World Symposium on Trade Efficiency will be described by the secretariat. Elements of the action plan and work programme leading to the Symposium will be proposed by the secretariat. A discussion will follow which is expected to yield additional elements for such work for the secretariat and for experts.

G - Concluding meeting

18. The Working Group will be expected (a) to decide on its own activities and work programme and (b) to consider the possible establishment and the responsibilities of a technical nature which would be given to the expert group(s) it may wish to create. The Working Group may wish to consider that any such expert group(s) or sub-group(s) should convene only if there is sufficient interest on the part of member countries: five participants (i.e. individuals or organizations ready to make practical and active contributions to such work) could be considered as a minimum for their establishment. Initially, the following themes might profitably be considered by experts:

(a) trade efficiency in Customs,
(b) trade efficiency in transport,
(c) trade efficiency in insurance and banking,
(d) legal aspects of trade efficiency,
(e) training for trade efficiency.

Concluding meeting

3.00 p.m. Adoption of work programme
4.00 p.m. Creation of expert group(s)
5.00 p.m. Conclusions
6.00 p.m. Adjournment